

Explanation of NF-B Cost Build Up for the 2012/2013 Rate Period

The 2012/13 rates are based on the 2011/12 rates¹. The 2012/13 rates were calculated by adjusting the 2011/12 rates for the following new state and federal mandates:

- 1) Minimum Dataset 3.0 (MDS),
- 2) Aerosol Transmissible Disease Vaccine and Training Requirement (ATD),
- 3) Federal Unemployment Tax Act (FUTA),
- 4) Informed Consent,
- 5) Standard Admission Agreement (SAA),
- 6) Centers for Medicare & Medicaid Services (CMS) Revalidation,
- 7) Elder Justice Act (EJA),
- 8) 5010 Implementation,
- 9) The 2012/13 Quality Assurance Fee,
- 10) The 2012/13 License Fee.

Facility-specific identifying information for the “2012.13 SNF-B Cost Build Up.xls” includes:

- I. Facilities (columns A through C):** Office of Statewide Planning and Development (OSHPD) ID, the National Provider Identifier (NPI), and facility name.
- II. Column D** is the county code.
- III. Column E** is the peer group indicator, ranging from 1 through 7. Refer to the Peer Group reports for further explanation.
- IV. Days (columns F through H):**
 - a. Column F** is the facility’s annualized audited skilled nursing Medi-Cal days. In prior rate years, the data source was the OSHPD report.
 - b. Column G** is the facility’s audited skilled nursing total days.

¹Assembly Bill 1489 stated that the facility-specific reimbursement rates effective 8/1/2012 would be based on the rates effective 8/1/2011 adjusted for new state and federal mandates.

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c. Column H is the facility's annualized audited freestanding subacute (adult) days (FSSA), if any. The FSSA days and the audited skilled nursing days (Col G.) are used in the calculation of the License Fee per diem.

V. Column I is average licensed beds reported on the facility's fiscal period ending 2010 OSHPD Report.

VI. 2011/12 Mandates (columns J through M):

a. Column J is the facility's 2011/12 License Fee per diem.

b. Column K is the facility's Quality Assurance Fee effective 8/1/2011.

c. Column L is the 2011/12 MDS add-on of \$1.24 per diem.

d. Column M is the 2011/12 ATD add-on of \$0.86 per diem.

VII. 2011/12 Rates (columns N through P):

a. Column N is the rate effective 8/1/2011.

b. Column O is the 2011/12 "recomp rate" which is the recalculated rate resulting from a revised audit.

c. Column P is either the recomp rate (col. O) or the 2011/12 rate (col. N), if there is no recomp rate. This rate does not reflect the 10% payment reduction enacted by AB 97².

VIII. 2012/13 Mandates (columns Q through U):

a. Column Q is the 2012/13 MDS add-on of \$0.51 per diem.

b. Column R is the 2012/13 ATD add-on of \$0.25 per diem.

c. Column S is the 2012/13 Combined add-ons of \$0.47 per diem comprised of the following:

1. FUTA \$0.11 per diem
2. Informed Consent \$0.13 per diem
3. SAA \$0.02 per diem

²Assembly Bill (AB) 97 (Chapter 3, Statutes of 2011) implemented a 10 percent payment reduction to long-term care facilities effective June 1, 2011 through July 31, 2012. In addition ABX1 19, (Chapter 4, Statutes of 2011), terminates the 10 percent reduction on August 1, 2012 and provides a supplemental payment in the 2012-13 rate year that is equivalent to the 10 percent reduction applied from June 1, 2011 to July 31, 2012.

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4. CMS Revalidation \$0.02 per diem
5. EJA \$0.01 per diem
6. 5010 Implementation \$0.18 per diem

g. Column T is the 2012/13 Quality Assurance Fee (QA Fee). Facilities assessed the QA Fee in 2012/2013 will be reimbursed for the Medi-Cal portion of its fee. Facilities exempted from the fee will not receive additional reimbursement for this fee.

h. Column U is the 2012/13 License Fee per diem. This amount is calculated using the facility's average licensed beds (column I) multiplied by the license fee per bed (\$312 effective 8/1/2012). The total fee amount is divided by the sum of the facility's annualized audited skilled nursing days (column G) and audited FSSA days (column H).

IX. 2012/13 Rate:

- a. Column V** is the 2012/13 rate effective 8/1/2012.
- b. Column W** is the projected Medi-Cal payments based upon the 2012/13 rate multiplied by Column F, Annualized Audited Skilled Nursing Medi-Cal days.